revenues earned from Visa U.S.A., Visa Europe and Visa Canada were $248.8 million and $235.0 million in fiscal 2004 and 2003, respectively.

Total Revenues – Total revenues increased in fiscal 2004 by 4.2% to $1.43 billion versus $1.38 billion in the prior fiscal year. Excluding the impact of fees related to the EU region of $85.8 million in the fourth quarter of 2003, comparable growth was $143.5 million or 11.1%. The increase was primarily due to overall growth in the Company's business driven by an improved global economy, increased global travel and new or expanded services.

The components of Visa International's total revenues in fiscal 2004 and 2003 were as follows (in thousands):

For the Years Ended September 30,	**2004**	**% of Revenue**	2003	% of Revenue	$ Change	% Change
Service Fees	**$ 471,175**	**32.9%**	$ 466,370	33.9%	$ 4,805	1.0%
Multicurrency Conversion Fees	**423,913**	**29.6%**	394,537	28.7%	29,376	7.4%
Data Processing Fees	**322,791**	**22.5%**	313,815	22.8%	8,976	2.9%
Card Recovery Bulletin Fees	**52,118**	**3.6%**	70,753	5.1%	(18,635)	(26.3%)
Other Revenues	**164,102**	**11.4%**	130,911	9.5%	33,191	25.4%
Total Revenues	**$1,434,099**	**100.0%**	$1,376,386	100.0%	$57,713	4.2%

Service Fees – Service fees increased $4.8 million, or 1.0%, in fiscal 2004 over the prior fiscal year. Fees earned from Visa Europe in the fourth quarter of fiscal 2004 are comparable to revenues generated from the EU region in the fourth quarter of fiscal 2003. The increase was primarily attributable to:

- Overall point-of-sale ("POS") volume growth of 14.5% due to improved economies around the world.
- Higher international sales volume based fees due to a global rebound in international travel following the SARS outbreak in 2003.
- These increases were mostly offset by higher member card activation and issuance incentives, chip card conversion incentives and various fee waivers provided to members due to higher card generated volumes and new programs launched in fiscal 2004. Excluding incentives, revenue growth was in line with growth in volumes.

Of the total service fees, $246.0 million and $232.4 million were derived from Visa U.S.A, Visa Europe and Visa Canada in fiscal 2004 and 2003, respectively.

Multicurrency Conversion Fees – Multicurrency conversion fees increased $29.4 million, or 7.4%, in fiscal 2004 over the prior fiscal year. Excluding the impact of fees related to the EU region of $46.3 million in the fourth quarter of 2003, comparable growth was $75.7 million or 21.7%. Multicurrency conversion fees fluctuate with cross-border travel and are impacted by changes in foreign currency exchange rates. Fees were higher due to growth in cross-border transaction volume of 23.0% from fiscal 2003. This was attributable to increased global travel as the negative impact of the SARS outbreak on cross-border travel subsided and the impact of the Iraq war and terrorism threat lessened.

Data Processing Fees – Data processing fees increased $9.0 million, or 2.9%, in fiscal 2004 over the prior fiscal year. Excluding the impact of fees related to the EU region of $40.2 million in the fourth quarter of 2003, comparable growth was $49.2 million or 18.0%. The growth was primarily due to transaction volume growth of approximately 14.6%. Additionally, the EU region launched a new access fee structure that generated new revenue of $15.2 million through

June 30, 2004. Of the total data processing fees, $2.8 million and $2.5 million were derived from Visa U.S.A., Visa Europe and Visa Canada in fiscal 2004 and 2003, respectively.

Card Recovery Bulletin Fees – Card recovery bulletin fees decreased $18.6 million, or 26.3%, in fiscal 2004 from the prior fiscal year. Excluding the impact of fees related to the EU region of $8.9 million in the fourth quarter of 2003, comparable figures declined $9.7 million or 15.7%. The decline was due to reduced pricing and a lower number of cards listed in all regions. The overall decline was expected as this service is being phased out over time.

Other Revenues – Other revenues increased $33.2 million, or 25.4%, in fiscal 2004 over the prior fiscal year. Excluding the impact of fees related to the EU region of $4.2 million in the fourth quarter of 2003, comparable growth was $37.4 million or 29.5%. The increase was primarily driven by:

- Increase of $11.0 million from the EU region reflecting new fees related to non-compliant ATM chip terminals through June 30, 2004.
- Increase of $9.1 million from the A-P region attributable to enhanced card services.
- Rental income of $7.0 million related to a new building owned by Visa International and leased to Visa Resources, a real estate joint venture owned equally with Visa U.S.A.
- Increase of $4.6 million collected from members primarily in the A-P region to fund joint advertising programs.

Operating Expenses

Total operating expenses increased by $34.0 million, or 2.6%, in fiscal 2004 over the prior fiscal year. Excluding the impact of expenses related to the EU region of $81.7 million in the fourth quarter of 2003, comparable growth was $115.7 million or 9.3%. The increase was primarily due to higher personnel expenses resulting from one-time severance costs and higher pension cost, systems-related consulting, higher communications expense associated with an upgraded Internet Protocol network and expanded advertising in the A-P and LAC regions.

The components of Visa International's total operating expenses in fiscal 2004 and 2003 were as follows (in thousands):

For the Years Ended September 30,	**2004**	**% of Operating Expenses**	2003	% of Operating Expenses	% Change
Personnel	**$ 390,310**	**28.7%**	$ 375,506	28.3%	3.9%
Affiliates Services	**245,543**	**18.0%**	261,556	19.7%	(6.1%)
Premises, Equipment and Software	**140,837**	**10.3%**	154,552	11.6%	(8.9%)
Communications	**52,318**	**3.8%**	41,897	3.2%	24.9%
Professional and Consulting Services	**124,552**	**9.2%**	108,738	8.2%	14.5%
Advertising and Promotion	**297,989**	**21.9%**	280,489	21.1%	6.2%
Travel and Meetings	**52,564**	**3.9%**	50,268	3.8%	4.6%
Other Expenses	**56,703**	**4.2%**	53,782	4.1%	5.4%
Total Operating Expenses	**$1,360,816**	**100.0%**	$1,326,788	100.0%	2.6%

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Personnel – Personnel consists of employee salaries and benefits expenses. Personnel expenses increased $14.8 million, or 3.9%, in fiscal 2004. Excluding the impact of expenses related to the EU region of $28.1 million in the fourth quarter of 2003, comparable growth was $42.9 million or 12.4% over the prior fiscal year primarily due to:

- Pension settlement costs of $12.0 million related to retirees and in-service payouts. In addition, pension costs were also higher due to low interest rates and lower than expected return on assets in recent years.
- One-time severance provision of $8.5 million related to workforce reductions in corporate headquarters and the A-P region in an effort to achieve greater efficiencies and reduce costs.
- Higher personnel costs related to additional headcount at the regions.

Affiliates Services – Affiliates services represents fees paid to Inovant LLC for processing transactions and other services related to system development in support of Visa branded products and services. Affiliates services expenses decreased $16.0 million, or 6.1%, in fiscal 2004 from the prior fiscal year primarily due to $10.7 million in affiliates services expenses from the EU region in the fourth quarter of fiscal 2003 and lower shared system development project costs in fiscal 2004, partially offset by higher transaction processing volumes in all regions.

Premises, Equipment and Software – Premises, equipment and software consists of maintenance, depreciation and amortization expense and facilities related costs. Premises, equipment and software expenses decreased $13.7 million, or 8.9%, in fiscal 2004. Excluding the impact of expense related to the EU region of $26.3 million in the fourth quarter of 2003, comparable growth was $12.6 million or 9.8% over the prior fiscal year mainly due to increased depreciation and amortization expense in all regions on updated systems, new offices, increased spending on software and increased hardware maintenance expenses associated with supporting new services and upgrading existing systems. In addition, facility-related costs were higher due to the full year impact of a new building placed in service late in 2003.

Communications – Communications relate to costs associated with various telecommunication networks and infrastructure. Communications expenses increased $10.4 million, or 24.9%, in fiscal 2004 over the prior fiscal year mainly due to the migration of the communication network to the new Internet Protocol VisaNet Access Point infrastructure in the EU, CEMEA and A-P regions. The increase was partially offset by $3.8 million in communications expenses from the EU region in the fourth quarter of the prior fiscal year.

Professional and Consulting Services – Professional and consulting services consists of costs associated with systems development, legal, consulting for product and marketing projects, tax, audit and other outside services. Professional and consulting services expenses increased $15.8 million, or 14.5%, in fiscal 2004 over the prior fiscal year. Excluding the impact of expense related to the EU region of $8.5 million in the fourth quarter of 2003, comparable growth was $24.3 million, or 24.3%, primarily due to:

- Higher consulting costs of $17.3 million incurred in the EU region through June 30, 2004 associated with systems development, a regional clearing and settlement project, the incorporation of the region, the construction of a second regional processing center to be used as a back up site and the unwinding of a long-term facilities lease.
- Higher consulting fees of $3.4 million due to a deceleration of capitalizing internally developed software costs incurred for systems development.

Advertising and Promotion – Advertising and promotion consists of costs associated with advertising and marketing programs, sponsorships, promotions and other related incentives, net of co-operative advertising expense reimbursements from members, to promote the Visa brand and assist members in achieving their goals. Advertising and promotion expenses increased $17.5 million, or 6.2%, in fiscal 2004 over the prior fiscal year primarily for spending on the Olympic and Paralympic Games throughout the regions. Other key initiatives in fiscal 2004 included the Rugby World Cup, a Disney sponsorship and the Copa Toyota Libertadores Soccer Tournament. Advertising and promotion expenses in the EU region for the fourth quarter of fiscal 2003 were immaterial.

Travel and Meetings – Travel and meetings consists of costs related to employee travel as well as Board of Directors and other regional member meetings. Travel and meetings expenses increased $2.3 million, or 4.6%, in fiscal 2004 over the prior fiscal year. Excluding the impact of expense related to the EU region of $3.0 million in the fourth quarter of 2003, comparable growth was $5.2 million, or 11.1%. The increase was primarily due to additional Board meetings in 2004.

Other Expenses – Other expenses include product enhancements, member reimbursements and incentives, and administrative costs. Other expenses increased $2.9 million, or 5.4%, in fiscal 2004 over the prior fiscal year primarily attributable to a net $3.5 million other-than-temporary impairment of a cost method investment. Other expenses in the EU region for the fourth quarter of fiscal 2003 were immaterial.

Interest and Other, net and Provision for Income Taxes

Interest and other, net and provision for income taxes in fiscal 2004 and 2003 were as follows (in thousands):

For the Years Ended September 30,	**2004**	2003	$ Change	% Change
Interest and Other, net	**$ (5,576)**	$ (9,032)	$ 3,456	38.3%
Provision for Income Taxes	**$35,418**	$23,141	$12,277	53.1%

Interest and Other, net – Interest and other, net is comprised primarily of investment income from trading and available-for-sale securities, interest expense from debt and expenses associated with securing credit resources to support member settlement operations. Interest and other, net increased $3.5 million, or 38.3%, in fiscal 2004 over the prior fiscal year due primarily to reduced interest on Internal Revenue Service audit assessments.

Provision for Income Taxes – Provision for income taxes increased $12.3 million, or 53.1%, in fiscal 2004 over the prior fiscal year as a result of increased income before income taxes.

Comparison of Fiscal 2003 to 2002

Revenues

Total Revenues – Total revenues increased in fiscal 2003 by 13.2% to $1.4 billion versus $1.2 billion in the prior fiscal year. The increase was primarily a result of overall growth in the Company's business driven by an improved global economy and increased travel after the September 11, 2001 terrorist attacks, partially offset by member fee waivers, fee reductions and chip migration incentives. Revenues include $235.0 million and $219.3 million from Visa U.S.A. and Visa Canada for fiscal 2003 and 2002, respectively.

The components of Visa International's total revenues in fiscal 2003 and 2002 were as follows (in thousands):

For the Years Ended September 30,	2003	% of Revenue	2002	% of Revenue	$ Change	% Change
Service Fees	$ 466,370	33.9%	$ 429,818	35.3%	$ 36,552	8.5%
Multicurrency Conversion Fees	394,537	28.7%	339,849	27.9%	54,688	16.1%
Data Processing Fees	313,815	22.8%	282,077	23.2%	31,738	11.3%
Card Recovery Bulletin Fees	70,753	5.1%	72,844	6.0%	(2,091)	(2.9%)
Other Revenues	130,911	9.5%	91,347	7.6%	39,564	43.3%
Total Revenues	$1,376,386	100.0%	$1,215,935	100.0%	$160,451	13.2%

Service Fees – Service fees increased $36.6 million, or 8.5%, in fiscal 2003 over the prior fiscal year primarily attributable to:

- Overall POS volume growth of 10.7% due to improved global economies.
- An increase in international sales volume based fees due to growth in international travel in all regions from an improving global economy.

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- Higher fees from Visa U.S.A. and Visa Canada of $15.4 million primarily related to systems enhancement project.
- These increases were partially offset by higher chip migration incentives and waivers provided to members in the EU region.

Of the total service fees, $232.4 million and $217.0 million came from Visa U.S.A. and Visa Canada in fiscal 2003 and 2002, respectively.

Multicurrency Conversion Fees – Multicurrency conversion fees increased $54.7 million, or 16.1%, in fiscal 2003 over the prior fiscal year. The increase was attributable to growth in cross-border transaction volume of 12.0% over fiscal 2002 and increased pricing, partially offset by fee waivers of $14.9 million provided to CEMEA members.

Data Processing Fees – Data processing fees increased $31.7 million, or 11.3%, in fiscal 2003 over the prior fiscal year, primarily attributable to transaction volume growth of approximately 10.5%, partially offset by reduced pricing and higher waivers in the EU and LAC regions. Of the total data processing fees, $2.5 million and $2.3 million came from Visa U.S.A. and Visa Canada in fiscal 2003 and 2002, respectively.

Card Recovery Bulletin Fees – Card recovery bulletin fees decreased $2.1 million, or 2.9%, in fiscal 2003 from the prior fiscal year primarily due to a decline in the number of cards listed in the LAC and A-P regions.

Other Revenues – Other revenues increased $39.6 million, or 43.3%, in fiscal 2003 over the prior fiscal year mainly due to a new fee in the A-P region to jointly fund additional advertising programs with members and revenues generated from enhanced services programs.

Operating Expenses

Total operating expenses increased by $137.2 million, or 11.5%, in fiscal 2003 over the prior fiscal year primarily due to higher advertising and personnel costs, partially offset by lower communications and affiliates services expenses.

The components of Visa International's total operating expenses in fiscal 2003 and 2002 were as follows (in thousands):

For the Years Ended September 30,	2003	% of Operating Expenses	2002	% of Operating Expenses	% Change
Personnel	$ 375,506	28.3%	$ 322,502	27.1%	16.4%
Affiliates Services	261,556	19.7%	270,460	22.7%	(3.3%)
Premises, Equipment and Software	154,552	11.6%	128,646	10.8%	20.1%
Communications	41,897	3.2%	48,472	4.1%	(13.6%)
Professional and Consulting Services	108,738	8.2%	106,706	9.0%	1.9%
Advertising and Promotion	280,489	21.1%	229,340	19.3%	22.3%
Travel and Meetings	50,268	3.8%	41,987	3.5%	19.7%
Other Expenses	53,782	4.1%	41,459	3.5%	29.7%
Total Operating Expenses	$1,326,788	100.0%	$1,189,572	100.0%	11.5%

Personnel – Personnel expenses increased $53.0 million, or 16.4%, in fiscal 2003 over the prior fiscal year driven primarily by headcount growth of 8.7% and higher worldwide costs for pensions, medical and other personnel-related benefits.

Affiliates Services – Affiliates services decreased $8.9 million, or 3.3%, in fiscal 2003 from the prior fiscal year due to a lower level of internal system development projects.

Premises, Equipment and Software – Premises, equipment and software expenses increased $25.9 million, or 20.1%, in

fiscal 2003 over the prior fiscal year due primarily to increased spending on software and equipment to support new facilities throughout the regions and Internet Protocol-based networks in the EU, CEMEA and A-P regions.

Communications – Communications expenses decreased $6.6 million, or 13.6%, in fiscal 2003 from the prior fiscal year due to efficiencies realized from the Internet Protocol-based networks in the EU, CEMEA and A-P regions.

Professional and Consulting Services – Professional and consulting services expenses were higher by $2.0 million, or 1.9%, in fiscal 2003 over the prior fiscal year primarily due to increased costs to support new and ongoing systems initiatives, partially offset by higher capitalization of internally developed software costs.

Advertising and Promotion – Advertising and promotion expenses increased $51.1 million, or 22.3%, in fiscal 2003 over the prior fiscal year primarily due to higher spending on advertising programs mainly in the A-P region, various sponsorships and other regional marketing incentives.

Travel and Meetings – Travel and meetings expenses increased $8.3 million, or 19.7%, in fiscal 2003 over the prior fiscal year due to a recovery in travel and related expenditures after the terrorist attacks on September 11, 2001.

Other Expenses – Other expenses increased $12.3 million, or 29.7%, in fiscal 2003 over the prior fiscal year primarily due to higher costs related to product enhancements and administrative and foreign currency activities. The increase was partially offset by lower write-downs related to other-than-temporary impairments on cost and equity method strategic investments.

Interest and Other, net and Provision for Income Taxes

Interest and other, net and provision for income taxes in fiscal 2003 and 2002 were as follows (in thousands):

For the Years Ended September 30,	2003	2002	$ Change	% Change
Interest and Other, net	$ (9,032)	$ 10,415	$(19,447)	(186.7%)
Provision for Income Taxes	$23,141	$14,722	$ 8,419	57.2%

Interest and Other, net – Interest and other, net decreased $19.4 million, or 186.7%, in fiscal 2003 from the prior fiscal year. The decrease was primarily attributable to the payment of additional interest associated with the settlement of various tax matters with taxing authorities and less interest income earned on cash and investments due to a lower interest rate environment.

Provision for Income Taxes – Provision for income taxes increased $8.4 million, or 57.2%, in fiscal 2003 over the prior fiscal year due to a higher effective tax rate of 56% versus 40% in 2002. The difference in the effective tax rate is a result of the reduced benefit of the research credit and an increase in deferred state income tax expense due to changes in the overall state tax rate attributable to the geographical distribution of income before taxes.

Properties

At September 30, 2004, Visa International owned or leased 50 properties throughout the world. The Company's corporate headquarters are in the San Francisco Bay Area and consist of four buildings that are occupied jointly with Visa U.S.A. Visa International occupied 223,202 square feet or 23% of available square footage in the shared premises during fiscal 2004. Visa International owns two of the shared facilities directly and jointly own the other two facilities through real estate joint ventures with Visa U.S.A. See Note 10 to the Consolidated Financial Statements included herein. Other properties, most of which are leased, are located in the United States and 34 other countries. These facilities consist of regional headquarters and sales offices and comprise approximately 425,000 square feet. The Company believes that these facilities are adequate to support current business needs. Through periodic reviews of space requirements, the Company may acquire new space, consolidate or dispose of facilities that are no longer necessary to meet the needs of the business.

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Liquidity and Capital Resources

The Company's primary sources of liquidity are cash on hand, fixed income investment portfolio comprised of highly-rated instruments, cash flow from operations and access to various borrowing options. At September 30, 2004, these borrowing options included multicurrency revolving credit facilities with a total commitment of approximately $1.3 billion, a $300.0 million U.S. commercial paper issuance program, a $250.0 million medium-term note issuance program and intra-day and overnight uncommitted lines of credit.

The Company seeks to satisfy the liquidity standards published by the Bank for International Settlements ("BIS") for operators of net payment systems and to meet its modest ongoing working capital requirements. Settlement due from and to members represent Visa International's most consistent liquidity requirements, and arise primarily from the timing of settlement between member institutions with different settlement currencies. These settlement accounts receivable and payable generally remain outstanding for two business days, consistent with standard market conventions for foreign currency transactions. Settlement accounts receivable and payable balances vary according to the seasonal nature of international travel and worldwide holiday patterns. During fiscal 2004, Visa International funded average daily net settlement receivable balances of $76.4 million, with the highest daily balance being $256.2 million.

In order to ensure prudent investments and provide management with the guidelines and authority to manage liquidity risk in a manner consistent with corporate objectives, Visa International maintains a formal treasury policy approved by the Board of Directors. The Asset and Liability Committee ("ALCO") oversees Treasury to ensure that the approved policy is implemented and adhered to. The ALCO establishes an annual liquidity target to ensure prudent liquidity resources are maintained.

Visa International employs a methodology that measures capital relative to risk-based assets. The calculation uses a risk-weighting framework similar to one issued by the BIS. The standard for risk-based capital includes a minimum target capital level of 8% of risk-based assets. Settlement guarantees represent the majority of the risk-weighted balance sheet.

The following table sets forth, for the periods presented, certain data from Visa International's consolidated financial statements that reflect the financial condition and sources of liquidity (in thousands):

For the Years Ended September 30,	**2004**	2003	2002
Cash Flow Data:			
Net Cash (Used in) Provided by Operating Activities	**$ (13,965)**	$120,955	$ 61,349
Net Cash (Used in) Provided by Investing Activities	**$ (75,600)**	$ (77,702)	$ 59,218
Net Cash Used in Financing Activities	**$ (5,000)**	$ —	$ (22,000)
Balance Sheet Data:			
Cash and Cash Equivalents	**$303,837**	$398,402	$355,149
Investment Securities, Available-for-Sale	**$110,069**	$ 28,805	$ 67,366
Long-Term Debt	**$ 39,879**	$ 39,854	$ 44,821
Working Capital	**$210,503**	$ 80,993	$ 75,090
Risk-Based Capital Ratio:	**13.1%**	8.1%	8.6%

At September 30, 2004, Visa International had a total of $413.9 million in liquid investments with which to manage operations compared to $427.2 million at the end of the prior fiscal year. The decrease in liquid investments was primarily attributable to personnel and tax-related payments.

Cash used in operating activities in 2004 was primarily attributable to a decrease in accrued and other liabilities of $165.6 million, partially offset by a decrease in prepaid and other assets of $78.3 million and current period earnings exclusive of non-cash charges for depreciation and amortization of $78.2 million. Cash provided by operating activities in fiscal 2003 was generated principally by current period earnings exclusive of non-cash charges for depreciation and amortization of $72.9 million, an increase in accrued and other liabilities of $86.0 million and a decrease in accounts receivable of $62.3 million, partially offset by a decrease in accrued compensation and benefits of $76.1 million.

The utilization of cash by investing activities in fiscal 2004 was primarily due to net purchases in available-for-sale investment securities of $80.2 million, capital expenditures

of $44.2 million and a settlement of intercompany balances with Visa Europe upon incorporation of $20.3 million, partially offset by $68.1 million in transferred assets to Visa Europe. The utilization of cash by investing activities in fiscal 2003 was primarily attributable to capital expenditures of $187.4 million, partially offset by proceeds of $67.9 million from the sale of Inovant Inc. to Visa U.S.A. in January 2003 and net proceeds of $39.2 million from available-for-sale investment securities.

The utilization of cash by financing activities in fiscal 2004 was attributable to the maturity of a $5.0 million medium-term note in February 2004.

During fiscal 2004, Visa International had the following revolving credit facilities ("credit facilities"). The participating lenders are Visa members or affiliates of its members (in thousands):

	Maximum Allowed Borrowing under Credit Facility	Maturity Date
364-Day Facility	$822,500	October 2004
Three-Year Facility	$178,800	August 2004
Incremental Facility	$500,000	October 2004

Interest on borrowings under each of the credit facilities is determined by a ratings-based pricing grid which uses senior unsecured long-term debt rating as assigned by Standard and Poor's and Moody's Investors Service ("Moody's"). Interest on borrowed funds is assessed at the London Interbank Offered Rate ("LIBOR") plus applicable margins that vary depending on the credit facility. The credit facilities contained certain covenants and events of default, including financial covenants related to consolidated accumulated net income and other indebtedness. Visa International was in compliance with all covenants at September 30, 2004 and 2003. In addition, there were no borrowings under these credit facilities at September 30, 2004 and 2003 or at any time during these fiscal years.

In October 2004, the Company refinanced the one-year $822.5 million credit facility and $500.0 million incremental facility by executing a $1.2 billion 364-day credit facility that matures in October 2005 and a three-year $300.0 million credit facility that matures in October 2007. In addition, the 364-day facility includes an uncommitted incremental amount of $400.0 million that may be requested under certain conditions. The incremental facility is included to satisfy higher liquidity requirements during seasonal increases in member settlement volumes. Placement costs and interest rates on borrowings under the new credit facilities are similar to the matured facilities.

In addition, Visa International maintains a $300.0 million U.S. commercial paper program. This program allows the Company to issue unsecured debt with maturities up to 270 days from the date of issuance at interest rates generally extended to companies with comparable credit ratings. At September 30, 2004 and 2003, Visa International had no obligations outstanding under this program. From time to time, the Company may issue commercial paper to cover short-term cash needs.

In March 1992, Visa International established a medium-term note program authorizing issuance of a maximum $250.0 million of unsecured, subordinated private placement notes. The notes may be issued with maturities from nine months to 30 years at fixed or floating interest rates. In February 2004, a medium-term note of $5.0 million matured and was paid in full. No medium-term notes were issued in 2004 or 2003. At September 30, 2004, Visa International had $40.0 million of fixed rate notes outstanding, with an interest rate of 7.53%. The interest paid on the notes in fiscal 2004, 2003 and 2002 were $3.2 million, $3.4 million and $3.9 million, respectively. Visa International was in compliance with the covenants of the notes at September 30, 2004 and 2003.

Credit Rating

At September 30, 2004, Standard and Poor's and Moody's rated Visa International's long-term and short-term unsecured debt as follows:

Debt Type	Standard and Poor's	Moody's
Long-Term Unsecured Debt		
Local	A+	A1
Foreign	A+	A1
Short-Term Unsecured Debt	A-1	P-1

Visa International believes that the existing liquidity resources will be sufficient to meet its current operating, working capital and capital requirements.